GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

STARRED QUESTION NO:263
ANSWERED ON:09.03.2006
EXPORT OF DEFENCE ITEMS
Verma Shri Ravi Prakash

Will the Minister of DEFENCE be pleased to state:

(a) the total value of exports made by various ordnance factories and the Defence public sector undertakings during 2004-2005 and 2005-2006;

(b) whether the Government has formulated any action plan for increasing the export of items produced by the various ordnance factories and the Defence public sector undertakings;

(c) if so, the details thereof; and

(d) the steps taken or being taken to implement the action plan?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 263 FOR ANSWER ON 9.3.2006

The total value of exports made by Ordnance Factories and Defence Public Sector Undertakings was Rs. 318 crore during 2004-2005 and about Rs. 252 crore up to February 2006 during 2005-2006.

While no specific action plan has been formulated for increasing exports of our defence products, various initiatives have been taken to improve export of items produced by Ordnance Factories and Defence Public Sector Undertakings (PSUs). Defence Attaches posted in Indian Missions abroad are actively involved in identifying export opportunities and Defence Exports Promotion has been included in their charter of duties. Further, nodal officers have been appointed in Defence PSUs and the Ordnance Factory Board for better co-ordination between production units, Ministry of External Affairs and Service Headquarters. In consultation with the Ministry of Defence, the Directorate General of Foreign Trade carries out periodic reviews of non-lethal low tech items, which do not need a "No Objection Certificate" from the Ministry of Defence. Directory of Indian Defence Products and CD ROMs have been distributed through our missions abroad. Biennial international exhibitions, viz. D efexpo India and Aero India, are organized in India to help improve defence exports. Defence production units also participate in international exhibitions to showcase their products and capabilities. The Defence Procurement Procedure 2005 has incorporated a new Offset Policy under which capital acquisition contracts of Rs.300 Crore or more must have offset clauses amounting to 30% of the indicative cost of the contract.